

BUDGET, FINANCE & INVESTMENT COMMITTEE

January 8, 2009

5:30 P.M.

Courthouse

MINUTES:

Members Present:

Comm. Bob Bullen
Comm. Joe Frank Jernigan
Comm. Will Jordan
Comm. Robert Peay, Jr.
Comm. Steve Sandlin
Comm. Doug Shafer
Comm. Joyce Ealy, Chrm.

Others Present:

Ernest Burgess
Teb Batey
Truman Jones
Lisa Nolen
Lois Miller
David Loughry
Wanda Watkins

Others Present:

Rosemary Jacobs
Capt. Steve Spence
Lynn Duke
Mary Schneider
Tonya Hobbs
Jeff Sandvig
Gary Clardy

Others Present:

Don Odom
Susan Allen
Elaine Short

Chairman Ealy presided and called the meeting to order at 5:30 P.M. with all members being present.

APPROVE MINUTES:

The minutes of the December 4, 2008 Budget Committee meeting were presented for approval.

Comm. Jordan moved, seconded by Comm. Sandlin to approve the minutes as presented. The motion passed unanimously by acclamation.

INVESTMENT REPORT:

Mr. Teb Batey, Trustee, presented the monthly Investment Report for the use and information of the committee advising that the LGIP rate for the month was 1.79%. Mr. Batey advised there was one investment transaction during the month, which received a rate of 3.55%. He also advised that there had been one investment transaction since the first of January, which received an interest rate of 2.15%. He stated that no one was looking for a lot of strength in the next six months.

Comm. Bullen moved, seconded by Comm. Jernigan to approve the monthly Investment Report as presented. The motion passed unanimously by acclamation.

Mr. Batey reported that at the end of December, the 2008 property tax collections were about even with the 2007 property tax collections and above the normal trend. He stated that normally at the end of December, the collections were approximately 47%, and the current collections were approximately 51%. Slightly over 97% of the 2007 property taxes have been collected. The normal trend was approximately 98%. He stated the property tax collections were not drastically down.

Mr. Batey advised his office was accepting applications for the Senior Tax Freeze Program and the Property Tax Relief Program. He stated it was preferable for citizens to make appointments for the application process. He advised that approximately 1,000 applications had been received for the Tax Freeze Program, and approximately 300 new Tax Relief applications had been added. He advised that the deadline to submit applications was April 1.

FUND CONDITION REPORT:

Mrs. Lisa Nolen, Finance Director, presented the monthly Fund Condition Report for the period ending December 31, 2008 for the use and information of the committee advising that the Development Tax collections totaled \$34,500. She advised that this was the lowest monthly collection since the inception of the Development Tax. The year-to-date total was \$2,063,250, which was still ahead of the total projections. This compared to the same period last year when the Development Tax collections were \$329,250, and the year-to-date total was \$2,007,000.

The Finance Director reviewed the fund cash balances totaling \$147,193,010, with \$123,586,220 being operating funds and \$23,606,790 being borrowed funds. This compared to the same

period last year when the total cash balances were \$186,554,793, and the borrowed funds were \$48,337,141. The Finance Director reminded the committee that \$13 million had been borrowed from the Debt Service Fund.

The Finance Director reviewed the revenue collections. She advised that in the General Fund the two areas of concern were Licenses and Permits and the County Officials' Excess Fees. She advised that at this point 47.55% of the General Fund projected revenue had been collected, and that was slightly above the previous five years.

Comm. Bullen stated that there had been criticism in the past for some of the fund balances being too high, but it appeared that if there had not been significant fund balances, the county would be in serious trouble.

The Finance Director agreed.

Following review, Comm. Sandlin moved, seconded by Comm. Peay to approve the monthly Fund Condition Report as presented. The motion passed unanimously by acclamation.

INSURANCE REPORT:

Mrs. Lois Miller, Insurance Director, presented the monthly Insurance Report for the use and information of the committee advising that through the first six months of the fiscal year almost \$16.5 million in health insurance claims had been paid. In the month of December, the paid claims totaled \$3.2 million, which equated to \$723.50 per employee per month. She stated that was a very high number. The first six months of the Fiscal Year the paid claims averaged \$626.58 per employee per month, and that compared to \$540.34 for the same time period last year.

Mrs. Miller advised that the dental experience was stable, but there would be an increase in January due to an increase in enrollment. She stated that 186 additional employees enrolled in the dental program. She also advised that 143 additional employees enrolled in the medical plan.

Mrs. Miller advised that the CareHere costs were beginning to stabilize with the average monthly cost being \$80.71.

Regarding the Worker's Compensation Program, approximately \$67,000 in claims was paid during December. The year-to-date total was \$705,949, which was still 154% of last year's claims.

Following review, Comm. Jordan moved, seconded by Comm. Sandlin to approve the Insurance Report as presented. The motion passed unanimously by acclamation.

Mrs. Miller advised that the Insurance Committee would be meeting on January 22, 2009 at 1:00 P.M. GASB proposals would be presented.

GENERAL FUND BUDGET AMENDMENTS

HEALTH DEPARTMENT:

Finance Director Lisa Nolen requested approval of the following budget amendment for the Health Department advising that the state supported budget did not agree with the state's contract documents. She advised that the amendment would reconcile the county's budget with the state's documents and would be a net reduction of \$33,100:

Decrease Revenue:	101-46310 - Health Department Program -	\$33,100
Decrease Expend.:	101-55190-348 - Postal Charges -	\$13,800
	101-55190-349 - Printing, Stationary & Forms -	1,000
	101-55190-499 - Other Supplies/Materials -	18,300

Following review, Comm. Bullen moved, seconded by Comm. Shafer to approve the budget amendment decreasing the revenue for the state-funded Health Department budget and the related expenditures. The motion passed unanimously by roll call vote.

GENERAL SESSIONS COURT:

Judge David Loughry and Wanda Watkins were present to request approval of the following budget transfer to provide sufficient funding for the Travel Account to attend necessary conferences for required continuing education:

From: 101-53300-709 - Data Processing Equipment -	\$ 800
101-53300-719 - Office Equipment -	800
To: 101-53300-355 - Travel -	\$1,600

Following discussion, Comm. Jordan moved, seconded by Comm. Peay to approve the budget transfer as requested to provide sufficient funding for the Travel Account. The motion passed unanimously by roll call vote.

SHERIFF'S DEPARTMENT, JAIL SEX OFFENDER REGISTRY:

Sheriff Truman Jones and Ms. Rosemary Jacobs were present to request approval of the following budget transfers and amendments to provide additional funding for inmate clothing expenses, Communications Equipment, supplies for the lektriever, and office supplies for the Sex Offender Registry Program:

From: 101-54210-189 - Jail - Other Salaries/Wages -	\$20,000
To: 101-54210-441 - Jail - Prisoner Clothing -	\$20,000
From: 101-54210-451 - Jail - Uniforms -	\$15,000
To: 101-54110-708 - Sheriff's Dept. - Communications Equip. -	\$15,000
From: 101-54110-196 - Sheriff's Dept. - In-Service Training -	\$ 2,028
101-54110-320 - Sheriff's Dept. - Dues/Memberships -	1,000
101-54110-437 - Sheriff's Dept. - Periodicals -	195
101-54110-435 - Sheriff's Dept. - Office Supplies -	1,777
To: 101-54110-719 - Office Equipment -	\$ 5,000
From: 101-34157 - Reserve for Sex Offender Registry -	\$ 1,500
To: 101-54160-435 - Sex Offender Registry - Office Supplies -	\$ 1,500

Following review, Comm. Jernigan moved, seconded by Comm. Sandlin to approve the budget transfers and amendments for the Sheriff's Department, Jail, and the Sex Offender Registry as requested. The motion passed unanimously by roll call vote.

MISCELLANEOUS:

The Finance Director requested approval of the following budget amendment advising that settlement funds of approximately \$60,000 were expected from the PAWS HVAC issue. The amendment recognized the revenue to be received and appropriated \$29,000 of the revenue for legal fees with the remainder going into the Undesignated Fund Balance:

Increase Revenue:	101-44990 - Other Local Revenue -	\$60,000
Increase Expend.:	101-58900-331 - Legal Services -	\$29,000
Increase Undesignated Fund Balance:	101-39000 -	\$31,000

Comm. Jernigan moved, seconded by Comm. Shafer to approve the budget amendment as presented recognizing \$60,000 to be received from the settlement for the PAWS HVAC and appropriating \$29,000 for Legal Fees with \$31,000 going into the Undesignated Fund Balance.

Comm. Shafer asked what the difference was between the cost of the new HVAC unit and the \$60,000 settlement.

Mayor Burgess advised that the new HVAC unit cost approximately \$80,000. A \$60,000 settlement was received, and in addition, the county retained possession of the old unit.

Following discussion, the motion to approve the budget amendment recognizing the revenue of \$60,000 to be received from the settlement on the PAWS HVAC and appropriating \$29,000 for legal fees with the remaining \$31,000 going into the Undesignated Fund Balance passed unanimously by roll call vote.

REQUEST FROM JUVENILE DETENTION CENTER DIRECTOR TO PAY DOWN COMPENSATORY TIME FOR TWO EMPLOYEES:

Mrs. Lynn Duke, Juvenile Detention Center Director, advised that she had two employees who had accumulated the maximum compensatory time of 240 hours. She requested to pay down the comp. time by one-half. She advised that as of December 23 the comp. time pay down for one employee amounted to approximately \$1,500 and the amount for the other employee was approximately \$1,400. She advised that there was sufficient funding in her budget to cover the payment.

Following review, Comm. Jordan moved, seconded by Comm. Jernigan to approve the request of the Juvenile Detention Center Director to pay down the accumulated compensatory time of two employees by one-half. The motion passed unanimously by roll call vote.

REQUEST FROM DRUG COURT COORDINATOR FOR APPROVAL OF THREE-YEAR DUI COURT IMPLEMENTATION GRANT APPLICATION:

Ms. Mary Schneider, Drug Court Coordinator, requested permission to apply for a three-year grant from the U. S. Department of Justice in the amount of \$350,000. Mrs. Schneider advised that she would not know until September if the county would be awarded the grant. The grant required a local match of \$116,667. However, the matching funds could be provided from cash or in-kind services or a combination of both. Mrs. Schneider advised that she would be using the office building as the match for the grant.

Following review, Comm. Sandlin moved, seconded by Comm. Jordan to authorize the Drug Court Coordinator to submit a grant application for a three-year Adult Drug Court Discretionary Grant from the U. S. Department of Justice in the amount of \$350,000 with a local match of \$116,667. The motion passed unanimously by roll call vote.

REQUEST FROM EXCHANGE CLUB FAMILY CENTER FOR APPROVAL OF SAFE HAVENS GRANT APPLICATION:

Ms. Tonya Hobbs, Exchange Club Family Center, was present to request approval of a grant application from the U. S. Department of Justice, Office on Violence Against Women. The grant provides funds for services which include supervised visitation and safe exchange programs specifically for cases involving domestic violence, dating violence, child abuse, sexual assault, or stalking.

Ms. Hobbs advised that the Exchange Club Family Center already provided a supervised visitation program whereby parents who are court ordered to visit with their children under supervised circumstances come to their facility. This grant would specifically fund those supervised visitations for families who are involved in domestic violence and child abuse, as well. The grant would not only allow them to better support the program they have now, but

would also allow them to expand their outreach to families who were affected by domestic violence.

The grant requires the Exchange Club to form a coalition, which the county would be a part of, as well as the Domestic Violence Center, the Exchange Club Family Center, the Sheriff's Department, and the courts.

The grant would be a three-year grant of approximately \$400,000 with no match required. Mrs. Hobbs advised that she was requesting that the county be the primary recipient of the dollars. Mrs. Hobbs advised that she had been informed that the Federal Government was going to offer the grant this year, and the deadline to apply was February 19.

Comm. Shafer moved, seconded by Comm. Peay to approve the request of the Exchange Club Family Center for the Safe Havens Three-Year Grant Application administered through the United States Department of Justice, Office on Violence Against Women in the amount of \$400,000, which requires no matching dollars with the county being the conduit for the funds; and to authorize all appropriate officials to execute the required documents. The motion passed unanimously by roll call vote.

APPROVE FIRST AMENDMENT TO AGREEMENT FOR THE CONSTRUCTION AND USE OF TENNIS COURTS AT OLD FORT PARK:

Mayor Burgess advised that when the School Board received the bids on the tennis court complex, they were substantially higher than the funding approved. The County Commission previously approved \$1.2 million from the Development Tax for the tennis court project.

The base bid was \$1,434,072, Alternate 3 for the parking lot, asphalt, surface, concrete curbs and striping totaled \$209,558, Alternate 14 for the Electrical Power Source Outlet Bank was \$5,707, and Alternate 16 for safety netting was \$8,780 for a total of \$1,658,117. Mayor Burgess advised that an additional \$675,000 was needed to complete the project.

Mayor Burgess requested approval of a First Amendment to the Agreement between Rutherford County, the Rutherford County Board of Education, and the City of Murfreesboro whereby the City of Murfreesboro will provide the additional funding in exchange for the county terminating the lease with the City for the old Agriculture Extension Building at Old Fort Park as of June 30, 2009. Mayor Burgess advised that all of the other terms of the agreement were still in place as they were before. The agreement continued to allow the priority use by the School System through 2028. Mayor Burgess advised that the City had already taken action and agreed to the proposal. Mayor Burgess advised that he believed this was a reasonable value for the building.

Comm. Jordan stated that he has had people comment to him that the county should not be spending money for tennis courts during the current economic times. He stated that if the cost was divided out for all of the schools, it would not be that much money. He stated if tennis courts were built at all of the schools, it would cost much more, and there would be maintenance costs to consider.

Comm. Jordan moved, seconded by Comm. Bullen to authorize the County Mayor and other appropriate officials of Rutherford County to execute the First Amendment to the Agreement between Rutherford County, the Rutherford County Board of Education, and the City of Murfreesboro whereby the City will pay up to \$600,000 for the cost of design and construction of the tennis courts, and in addition the City may spend up to \$75,000 on restroom renovation or construction. Additionally, the Ag Center Lease between the County and City shall terminate on June 30, 2009.

Comm. Sandlin stated that he believed this was a good agreement. He asked how the scheduling for the courts would take place.

Mayor Burgess advised that the scheduling would be done through the City Recreation Department, which was being done now.

Following discussion, the motion to authorize the County Mayor and other appropriate officials of Rutherford County to execute the First Amendment to the Agreement between Rutherford County, the Rutherford County Board of Education, and the City of Murfreesboro for construction and use of tennis courts at Old Fort Park passed by roll call vote with Comm. Shafer voting "no".

GENERAL PURPOSE SCHOOL FUND BUDGET AMENDMENT:

Mr. Jeff Sandvig, Assistant Superintendent, requested approval of an amendment to reallocate \$227,334 in already budgeted classified pay and \$35,461 in related benefits. He advised that there were no new funds being used or other funds being shifted to classified staff. \$133,625 of the labor was for reallocating some special education dollars to cover needed positions, reallocating school clerical hours to match the actual staffing, and changing the coding for the Hands on Science part-time staff. The rest of the amendment covered the classified bonus that the Board approved to match the state teacher bonus.

Comm. Bullen moved, seconded by Comm. Jernigan to approve the budget amendment as requested to reallocate \$227,334 in already budgeted classified pay and \$35,461 in related benefits. The motion passed unanimously by roll call vote.

Comm. Bullen asked Mr. Sandvig to comment on the schools financial condition for the remainder of the year.

Mr. Sandvig advised that the school budget was in decent shape. He stated that his chief area of concern was utilities, and that would require a forthcoming amendment. He stated he had some concern regarding how many of the 143 additional employees going on health insurance were teachers or classified staff. He stated that area of the budget was a little tight, but he did not think it was anything that the budget would not be able to cover. He stated that he was watching expenditures. He stated that some of the vacant E.A. positions were not being filled.

Comm. Shafer asked if the diesel fuel began to increase if it would affect the budget.

Mr. Sandvig advised it would affect the budget. He stated if it increased from \$2.25 to \$3.50, he believed the budget would cover it, but if it increased more than that, it would be a concern.

Comm. Peay asked if there was a surplus in fuel, could that be transferred to other areas of the budget.

Mr. Sandvig advised that was a possibility.

Comm. Bullen asked if Mr. Clardy could be allowed to give the committee an update on the Brown's Chapel Elementary School.

Mr. Clardy advised that the Brown's Chapel project was proceeding well. He stated it was on schedule, and bids on the step system would be received on Tuesday. He stated the project was within budget, and he looked forward to the school opening on time. While it would not affect the Brown's Chapel Project, construction costs were falling off, which could affect costs for future projects. He stated that the reductions could be as much as 10% to 20%.

OTHER BUSINESS

AMBULANCE SERVICE:

The Finance Director requested approval of the following budget transfer to cover a shortage in the Part Time Personnel Account for the Ambulance Service. The transfer had not gone before the Public Safety Committee, but Mrs. Nolen advised that she had talked to both Mr. Nunley and Comm. Farley:

From:	101-55130-187 - Overtime Pay -	\$50,000
To:	101-55130-169 - Part Time Personnel -	\$50,000

Comm. Peay moved, seconded by Comm. Jordan to approve the budget transfer to cover a shortage in the Part Time Personnel Account for the Ambulance Service as requested. The motion passed unanimously by roll call vote.

ADJOURNMENT:

There being no further business to be presented, Chairman Ealy declared the meeting adjourned at 6:20 P.M.

Elaine Short, Secretary